

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF No. 19865

**STATUS REPORT OF THE PUERTO RICO FISCAL AGENCY AND FINANCIAL
ADVISORY AUTHORITY REGARDING THE GOVERNMENT OF PUERTO RICO'S
RECENT ACTIVITIES AND RESPONSE TO THE ONGOING COVID-19 PANDEMIC**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), through its undersigned counsel, submits this status report on behalf of the Government of the Commonwealth of Puerto Rico (the “Government”) in response to the Court’s *Order Regarding Procedures for the February 2-3, 2022, Omnibus Hearing* [ECF No. 19865] and states as follows:

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

PRELIMINARY STATEMENT²

The Government has continued to be vigilant in its efforts on safeguarding public health and services, while simultaneously continuing to address the economic distress caused by the COVID-19 pandemic and stimulating economic activity, among other areas. In order to timely address and combat the substantial challenges associated with the Omicron variant, the Government (via the Department of Health (“DOH”)) (a) undertook the implementation several measures to curb the spread of the virus and the new variant and has continued to encourage the vaccination—including the COVID-19 vaccine booster shots—of all eligible individuals and (b) encouraged the testing of individuals who suspected that they had come in contact with the virus. As a result, although an increase of positive cases was observed during the end of December 2021 and the beginning of January 2022 consistent with has been occurring in other parts of the United States, Puerto Rico has now been observing a sustained, considerable diminution of COVID-19 cases for the past weeks. As of today, daily confirmed cases average 581 and the positivity rate is approximately 17.57%, a significant decrease when compared to the positivity rate of 39.5% observed less than a month before, on January 6, 2022³, with 473,987 total molecular and 1,278,612 total antigen COVID-19 tests having been administered since the December Report. At this juncture, Puerto Rico continues to be among the top 15 jurisdictions in the world⁴ in per capita rate of vaccination among its population; in fact, as of last week, over 5.4 million COVID-19 vaccines have been administered and over 83.2% of all eligible residents in Puerto Rico have been

² Defined terms not otherwise defined herein shall have the same meaning given to them in *Status Report of the Puerto Rico Fiscal Agency and Financial Advisory Authority Regarding the Government of Puerto Rico’s Recent Activities and Response to the Ongoing Covid-19 Pandemic* (the “December Report”) [ECF No. 19515].

³ See, <https://covid19datos.salud.gov.pr/>.

⁴ See, [Covid-19 vaccine tracker \(ft.com\)](https://covid19.vaccine-tracker.com/).

fully vaccinated, positioning Puerto Rico *as the U.S. jurisdiction with the highest rate of administrated vaccine doses⁵.*

Due to these and other factors, signs of improvement in Puerto Rico's economy are palpable, most notably in the tourism sector, which is returning to—or even exceeding—the pre-COVID-19 era. In fact, the Puerto Rico Tourism Company has seen an increase in the amount of cruise ships that have been arriving at the Commonwealth of Puerto Rico, having received thirteen during the last week of December 2021, with an estimated contribution of \$2.8 million in economic impact⁶ and airport traffic has revealed slightly similar numbers to those observed in 2019. Furthermore, Puerto Rico has also recently been active in international fairs to promote tourism from, among other places, Europe and Latin America⁷, and also had the honor of receiving an official visit of the King of Spain, S.M. Felipe VI to further promote, among other things, tourism exchange between Spain and Puerto Rico⁸.

The Government has also continued to disburse federal and local aid to residents, businesses, hospitals, and municipalities. Since the last status report, the Government has continued its measures to aid municipalities, rebuild schools and Government buildings, and provide funding for hospitals, restaurants, tourism and other industries while simultaneously implementing additional measures aimed to incentivize vaccination and achieve herd immunity. These endeavors have allowed the continued and gradual reopening of Puerto Rico's economy while helping to curb the spread of COVID-19. These and other key data are summarized in the

⁵ See, [U.S. Vaccine Tracker](#).

⁶ See, [Puerto Rico Tourism Company Press Release dated December 22, 2021](#).

⁷ See, [Puerto Rico Tourism Company Press Release dated January 14, 2022](#).

⁸ See, [Puerto Rico Tourism Company Press Release dated January 26, 2022](#).

reports available at the [COVID-19 Resource Center |AAFAF \(pr.gov\)](#) and the AAFAF Weekly Reporting Dashboard, dated January 28 2022, and included as [Exhibit A](#).

I. Executive and Administrative Orders to Address the Ongoing Crisis and the Omicron variant

1. Towards the end of November 2021, a new variant of COVID-19—first detected around November 11, 2021—was reported to the World Health Organization (“[WHO](#)”). On November 26, 2021, the WHO named it the Omicron variant, classifying it as a variant of concern and on December 1, 2021, its first confirmed case in the United States was identified⁹. The WHO has stated—and statistics have so shown—that transmissibility of the Omicron variant is substantially higher than for other variants of COVID-19, globally causing the sharpest increases in positivity growth rates observed since the commencement of the pandemic¹⁰.

2. Unfortunately, positivity rates, and hospitalizations have risen throughout the United States as a result of, among other things, the Omicron variant and the existence of unvaccinated individuals.

3. The Government, however, has continued its commitment to combatting the spread of the COVID-19 virus and achieve herd immunity, implementing several measures, among which is the continuance of its vaccination plan, including booster shots—the importance of which has been emphasized by the CDC—as detailed below.

4. As stated in the December Report, to begin addressing the spread due to the Omicron variant, on December 3, 2021, the DOH issued Administrative Order 2021-523 through which the Government began requiring that any individual travelling into Puerto Rico from an

⁹ See, [Latest update of the Centers for Diseases Control and Prevention](#) (“CDC”); see also, [OA2021-523](#).

¹⁰ See, [Press Releases of the WHO dated December 17, 2021](#); see also, [WHO COVID-19 Dashboard](#).

international location—regardless of their vaccination status—must comply with all federal authority requirements for negative COVID-19 tests¹¹.

5. On December 19, 2021, Governor Pedro R. Pierluisi (the “Governor”) issued Executive Order 2021-080 (“Executive Order 80”), to, among other things, require that all indoor and outdoor establishments holding multitudinous events—such as theaters, amphitheaters, stadiums, coliseums, convention and activity centers—to require all attendants to present, in addition to being fully vaccinated, to show a negative result PCR or antigen COVID-19 test (a “Negative Result”) taken 48 hours or less prior to any such event¹². Furthermore, Executive Order 80 requires that, for any multitudinous event with an agglomeration of over 500 attendees—held at any indoor place other than an amphitheater, stadium, coliseum, convention and activity center—the establishment holding such event coordinates with the DOH to establish a protocol to guarantee that the activity is safe for all attendees. The terms of Executive Order 80 were put into effect on December 22, 2021.

6. The next day, on December 20, 2021, the Governor issued Executive Order 2021-081 (“Executive Order 81”), to, among other things, require that any passenger arriving to Puerto Rico on domestic flights, must present either (i) a Negative Result from a maximum period of forty-eight (48) hours prior to arriving to Puerto Rico, or (ii) obtain and present to the DOH a Negative Result within forty-eight (48) hours from such passenger’s arrival, subject to sanctions and/or fines for failure to do so. Moreover, passengers who have tested positive for COVID-19 within ninety (90) days prior to a flight must present such result and documentation crediting their recuperation, including a medical or governmental certification that such passenger can travel.

¹¹ See, [OA2021-523](#).

¹² See, [Executive Order 80](#); see also, [Fortaleza Press Release dated December 19, 2021](#).

Should any passenger test positive after arriving in Puerto Rico, such passenger must comply with the quarantine directives of Administrative Order OE-2021-075 and follow the protocols established by the DOH, provided, further, that non-fully vaccinated passengers must remain quarantined for a period of seven (7) days from their arrival, regardless of whether they test positive or obtain a Negative Result¹³. On the other hand, pursuant to Executive Order 81, passengers on international flights arriving in Puerto Rico must follow federal guidelines, including President Biden's *Proclamation on Advancing the Safe Resumption of Global Travel During the COVID-19 Pandemic* dated October 25, 2021, and CDC orders.

7. On December 22, 2021, the Governor issued Executive Order 2021-082 (“Executive Order 82”), to, among other things, require all health and education personnel—whether they perform teaching or non-teaching tasks (including contractors), in educational institutions including schools, educational centers and universities, whether public or private—to obtain a booster shot on or before January 15, 2022¹⁴.

8. Further, on December 27, 2021, the Governor issued Executive Order 2021-085 (“Executive Order 85”), to, among other things, limit the occupancy for all establishments in which attendees remove their face masks to consume food and/or drinks (including restaurants, food courts, cafeterias, bars, sport bars, movie theaters, communal or activity centers and any other establishment that serves drink or prepared food) to a 50% occupancy if the activities take place indoors and to 75% if the activities take place outdoors¹⁵.

9. On December 28, 2021, the DOH issued Administrative Order 2021-526A (“OA-2021-526A”) to authorize, subject to certain conditions (i) additional nursing health professionals—

¹³ See, [Executive Order 81](#).

¹⁴ See, [Executive Order 82](#).

¹⁵ See, [Executive Order 85](#).

including students and paramedics—to administer COVID-19 tests and (ii) duly certified, licensed and authorized clinical labs to operate in temporary sites for the taking of such tests¹⁶.

10. On December 31, 2021, after observing an alarming positivity rate of 32.14%, the Governor issued Executive Order 2021-086 (“Executive Order 86”), directing that all private business establishments that serve the public, subject to certain exceptions, must remain closed from 12:00am through 5:00am, further directing that, during such timeframe, all businesses were prohibited from selling alcoholic beverages to the public¹⁷.

11. On that same date, the Governor issued Executive Order 2021-087 (“Executive Order 87”), to, among other things, and subject to certain exceptions, require all emergency service of personnel of the Public Security Department, and their respective bureaus, personnel of the Department of Correction and Rehabilitation and any other personnel indicated by the DOH to be fully vaccinated, including receiving a booster shot, by January 31, 2022¹⁸. Further, Executive Order 87’s booster shot requirement was also extended to the private sector by directing employees over the age of 18 working in restaurants, bars, sport bars, supermarkets and gas stations to receive the shot on or before January 31, 2022.

12. On January 10, 2022, in light of the Food and Drug Administration’s authorization for the emergency use by high-risk COVID-19 patients of antiviral medications Paxlovid and Molnupiravir, the DOH issued Administrative Order 2021-527 (“OA-2021-527”) to, among other things, authorize, subject to certain conditions, institutional pharmacies to dispatch such medication to eligible patients¹⁹.

¹⁶ See, OA-2021-526A.

¹⁷ See, Executive Order 86.

¹⁸ See, Executive Order 87.

¹⁹ See, OA-2021-527.

13. On January 13, 2022, the Governor issued Executive Order 2022-002 to reduce the total capacity of areas open to the public at government entities and private commercial operators alike to 75% and to further extend, until February 2, 2022 **(i)** the occupancy limitations of Executive Order 85 and **(ii)** the operating hour limitations for the establishments described in Executive Order 86²⁰.

14. On that same date, the Governor issued Executive Order 2022-003 to require a booster shot, by February 15, 2022, subject to certain exceptions, to **(a)** all individuals who work in hotels, lodgings, theaters, movie theaters, coliseums, and convention and activity center, and **(b)** all students of twelve (12) years or older (if eligible therefor)—including university and technical college students—of any public or private institution²¹.

15. The above-mentioned measures by the Government proved both timely and effective. As a matter of fact, during its peak increase, on or around January 6, 2022, Puerto Rico observed a positivity rate of 39.49%, which has been reduced to 17.57% as of today²² and is expected to continue decreasing.

16. As a result, on January 28, 2022, the Governor issued Executive Orders 2022-05, 2022-06 and 2022-07 providing, **(i)** for Executive Order 2022-05, providing that only non-vaccinated passengers arriving in Puerto Rico on domestic flights, must present either **(a)** a Negative Result from a maximum period of forty-eight (48) hours prior to arriving to Puerto Rico, or **(b)** obtain and present to the DOH a Negative Result within forty-eight (48) hours from such passenger's arrival, subject to sanctions and/or fines for failure to do so and an obligatory quarantine period of seven (7) days, whereas passengers arriving on international flights,

²⁰ See, [Executive Order 2022-002](#).

²¹ See, [Executive Order 2022-003](#).

²² <https://covid19datos.salud.gov.pr/>; see also, [Fortaleza Press Release dated January 20, 2022](#).

regardless of their vaccination status, must continue to follow federal guidelines, including President Biden's *Proclamation on Advancing the Safe Resumption of Global Travel During the COVID-19 Pandemic* dated October 25, 2021, and CDC orders, including having obtained a Negative Result within one day prior to boarding²³; **(ii)** for Executive Order 2022-06 to extend, subject to certain conditions, the booster-shot requirement to public employees and contractors of the Executive Branch and to extend the deadline established in Executive Order 75 for students—between the ages of five to eleven years until either January 31, 2022 or sixty (60) days from the date of their birthday and, for all students of twelve (12) years or older²⁴ and **(iii)** for Executive Order 2022-07, to modify **(a)** occupancy limitations for restaurants to allow indoor activities to operate at 75% of their capacity, whereas, for outdoor activities, eliminate occupancy limitations; **(b)** occupancy limitations for bars and, among others, sport bars to 50% of their capacity; **(c)** occupancy limitations for indoor movie theaters and theaters to 75% of their capacity and; **(d)** for places used for multitudinous activities, such as amphitheaters, stadiums, coliseum, convention centers, communal centers or activity centers that serve alcoholic beverages, to limit their occupancy to 50% of their capacity²⁵.

17. Through Executive Order 2022-07, restaurants, bars, sport bars, movie theaters (and the establishments herein above listed) are permitted to operate, and multitudinous activities are permitted to take place, provided, however, that attendees at the foregoing must provide either evidence of being fully vaccinated or a Negative Test obtained at least forty-eight (48) hours prior to such event. Lastly, through Executive Order 2022-07, the 12:00am through 5:00am timeframe previously established through Executive Order 86—which business establishments could neither operate nor sell alcoholic beverages—was eliminated.

²³ See, [Executive Order 2022-005](#).

²⁴ See, [Executive Order 2022-006](#).

²⁵ See, [Executive Order 2022-007](#).

18. The Government continues working closely with experts from various sectors to monitor the spread of the virus to adopt or modify any necessary restriction that may be required on a timely basis.

II. Status of COVID-19 Vaccination Process, Infections and Hospital Capacity

19. As of today, the DOH has administered 5,433,656 doses of the COVID-19 vaccines and estimates that 83.2% (over 2.5 Million) of all eligible residents in Puerto Rico have been fully vaccinated and over 93.5% (over 2.8 Million) have received one dose²⁶.

20. As stated in the December Report, the Government has continued promoting several programs to reach and encourage eligible individuals to get vaccinated, including holding multiple vaccination events throughout Puerto Rico, the latest of which was held on January 15, 2022 as a vaccination fair in Old San Juan, for merchants, residents and visitors thereof²⁷. These and other efforts continue to achieve results²⁸.

21. Because of the increase in positive cases observed towards the end of December 2021 and during January 2022, the commencement of in-person classes—originally scheduled for January 11, 2022—was postponed until January 24, 2022²⁹. In preparation for the commencement of in-person classes, the DOH updated its prevention from COVID-19 Kindergarten through 12th Grade guidelines on January 21, 2022³⁰ and then later on January 27, 2022³¹, which, among other things, establishes a strategy for the consumption of foods on a *to-go* basis, seeks to limit the practice of high-contagion-risk sports and emphasizes the importance of improving ventilation in

²⁶ <https://covid19datos.salud.gov.pr>.

²⁷ See, [Fortaleza Press Release dated January 14, 2022](#); [Fortaleza Press Release dated January 15, 2022](#).

²⁸ [Covid-19 vaccine tracker \(ft.com\)](#).

²⁹ See, [Elnuevodia.com article dated January 5, 2022](#).

³⁰ See, [DOH Guidelines for COVID-19 Prevention in Schools, dated January 21, 2022](#).

³¹ See, [DOH Guidelines for COVID-19 Prevention in Schools, dated January 27, 2022](#).

classrooms, among other things. As detailed in previous reports, the DOH maintains a “dashboard” to provide daily updates on COVID-19 related statistics³². As of today:

- Puerto Rico had 258,909 confirmed cases, 198,592 probable cases, and 3,855 reported deaths.
- At the moment, a total of 1,432 ventilators (adult and pediatric) are in stock and available to be used in Puerto Rico. 422 are in use, of which 81 are due to COVID-19. 147 of those in stock are pediatric ventilators and, of those, 119 are currently available; 28 of those pediatric ventilators are in use, and only one of them is in use due to COVID-19.
- 586 adult patients are hospitalized due to COVID-19, of whom 109 are in intensive care. 31 pediatric patients are hospitalized due to COVID-19, of whom 3 are in intensive care.
- 4,474 adult beds and 374 pediatric beds are currently in use out of a total 6,790 and 958 hospital beds, respectively. Out of the total detailed above, 451 of ICU beds and 26 pediatric ICU beds are currently in use out of a total 596 and 66, respectively.

III. Update on Funding Related to COVID-19 and Disaster Relief Funds

A. Federal Funding under the American Rescue Plan Act

22. As stated in the December Report, the Government continues distributing federal assistance funds available under the American Rescue Plan (“ARPA”) pursuant to its strategic plan. As an important development, AAFAF has authorized the assignment of \$65 million to the Puerto Rico Aqueduct and Sewer Authority, for the development of water and maintenance infrastructure projects for five (5) municipalities of the island, specifically, Naranjito, Fajardo, Cayey, Juncos and Aguas Buenas³³. In the case of Naranjito, the assignment will be directed towards the construction of a treatment and distribution water plant that is expected to benefit over 11,000 residents of such municipality.

³² <https://covid19datos.salud.gov.pr/>.

³³ See, [Governor Press Release dated December 26, 2021](#).

B. Federal Funding Under the Coronavirus Relief Fund

23. As of January 21, 2022, the Government has disbursed \$2,090,318,008 of the \$2,240,625,864 it has received under the CARES Act Coronavirus Relief Fund. AAFAF has published a report detailing the use of these funds and the disbursements made as of January 21, 2022, which is available at [COVID-19 Resource Center | AAFAF \(pr.gov\)](#). See also [Exhibit A](#).

C. Update on Disbursements Under the Emergency Measure Support Package

24. With regard to the COVID-19 Emergency Measure Support Package detailed in the previous reports, as of January 21, 2022, the Government has disbursed \$524.3 million out of the \$787.7 million approved in the package. AAFAF has published a report detailing the use of these funds and the disbursements made as of January 21, 2022, which is available at [COVID-19 Resource Center | AAFAF \(pr.gov\)](#). See also [Exhibit A](#).

D. Update on Disaster Relief Funds³⁴

25. The Government maintains its commitment to using relief and funding efforts to address the natural disasters that have affected Puerto Rico in recent years, including the continued recovery following Hurricanes Irma and María and the earthquakes that impacted (and continue to impact) the southern and southwestern part of Puerto Rico beginning early in 2020.

26. The Government continues to disburse federal aid, and among the various disbursements made and developments since the last status report are the following:

- On December 15, 2021, the executive director of COR3 and directors of the Federal Emergency Management Agency (“[FEMA](#)”)—from Puerto Rico and New York executives—announced that they held a meeting in mid-December 2021 to establish a prospective work plan for the reconstruction of Puerto Rico, which contemplates

³⁴ The data and information provided herein has been obtained by AAFAF directly from COR3.

an estimated amount of 2,000 reconstruction projects which are projected to be in their execution phase³⁵;

- Furthermore, FEMA continues to assist with the recovery of Puerto Rico from (i) the series of earthquakes that hit the island at the end of 2019 and beginning of 2020, having allocated over \$523 million for the reconstruction, reparation and rehabilitation of, among other things, schools, public buildings like police stations, fire stations, and judicial centers, as well as public roads³⁶ and (ii) the aftermath of the passing of Hurricane María in 2017, surpassing the approval of 9,000 projects for such purpose and particularly aiming for the restoration of Puerto Rico's electrical and aqueduct systems³⁷;
- In addition, on January 24, 2022, FEMA approved over \$554 million in recovery funds to the Puerto Rico Public Housing Administration for the restoration of public housing facilities—which serve as home for more than 59,000 families—that were affected by the passing of Hurricane María³⁸;

27. As of January 24, 2022, the United States Congress has appropriated \$77,308,262,035 for Puerto Rico's recovery efforts. Of this amount, approximately \$65,049,116,786 has been committed by federal agencies for distribution, and \$22,312,496,710—around 29% of the appropriated amounts—has been disbursed. Of the amounts obligated and disbursed, FEMA has approved \$36,576,813,088 and disbursed \$14,860,473,026—approximately

³⁵ See, [COR3 Press Release, December 15, 2021](#).

³⁶ See, [COR3 Press Release, dated January 11, 2022](#).

³⁷ See, [COR3 Press Release, dated January 20, 2022](#).

³⁸ See, [COR Press Release, dated January 24, 2022](#).

41%—of the total amounts detailed above. The Government’s use of these funds is detailed on the COR3 website and can be accessed at: <https://recovery.pr/en>. See also **Exhibit A**.

Dated: February 1, 2022
San Juan, Puerto Rico

Respectfully submitted,

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